

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 10/28/2014	(3) CONTACT/PHONE John Waddell, Project Manager (805) 788-2713	
(4) SUBJECT Submittal of a resolution authorizing execution of notice of completion and acceptance for the Collection System Areas A & D Contract (ARB, Inc.) for the Los Osos Wastewater Project, Los Osos. District 2.			
(5) RECOMMENDED ACTION It is recommended that the Board adopt the attached resolution, which authorizes the execution and acceptance of a Notice of Completion for the construction of the Los Osos Wastewater Project, Collection System Areas A & D, Los Osos, CA. Contract No. 300448.08.01.AD.			
(6) FUNDING SOURCE(S) Fund Center 430	(7) CURRENT YEAR FINANCIAL IMPACT Project Costs = \$25,101,381.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____ ) <input type="checkbox"/> Board Business (Time Est. ____ )			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A    Date: 6/19/12, #57	
(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(18) SUPERVISOR DISTRICT(S) District 2			

Reference: 14OCT28-C-6

## County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works  
John Waddell, Project Manager  
Robert Ruiz, Project Engineer

VIA: Dave Flynn, Interim Director of Public Works

DATE: 10/28/2014

SUBJECT: Submittal of a resolution authorizing execution of notice of completion and acceptance for the Collection System Areas A & D Contract (ARB, Inc.) for the Los Osos Wastewater Project, Los Osos. District 2.

### **RECOMMENDATION**

It is recommended that the Board adopt the attached resolution, which authorizes the execution and acceptance of a Notice of Completion for the construction of the Los Osos Wastewater Project, Collection System Areas A & D, Los Osos, CA. Contract No. 300448.08.01.AD.

### **DISCUSSION**

On September 20, 2006, then California State Governor Arnold Schwarzenegger signed Assembly Bill 2701 (Blakeslee) which allowed the County, at the Board's discretion, to assume responsibility for the development of a wastewater project in the community of Los Osos. After the County had secured all necessary permits and funding for construction of the project, bids were solicited for the collection system contracts in spring of 2012.

On June 19, 2012, your Board awarded the Collection System Areas A & D Contract to ARB, Inc., the lowest responsive and responsible bidder on this contract. A Notice to Proceed was given to ARB, Inc., on August 13, 2012, authorizing work to commence on this contract. Work continued on this contract through September 5, 2014, when ARB, Inc., reached final completion. Work on other project contracts is ongoing and will continue through 2016 when the project will be ready for start-up and connection of sewer laterals from individual properties.

The Project Engineer has determined that ARB, Inc., has completed all its work and its obligations within the time allotted for, and under the terms of the Contract Documents for this contract. It is now necessary to record the Notice of Completion for this contract, which will establish the deadline for which liens can be filed by subcontractors against the prime contractor.

## **OTHER AGENCY INVOLVEMENT/IMPACT**

The U.S. Department of Agriculture (USDA) and State Water Board are jointly financing the Project and provided oversight of engineering and consulting agreements. USDA has also provided oversight on change orders and progress payment applications from the contractor during construction. Numerous other federal, state and local agencies are involved with the project. County Counsel is providing legal guidance on all aspects of the project.

## **FINANCIAL CONSIDERATIONS**

The Collection System Areas A & D Contract is part of the multi-year Los Osos Wastewater Project (WBS 300448) which has a total project budget of \$183.4 million. The cost of this Collection System Areas A & D Contract is \$25,101,381.16 as of final completion. However, there are numerous claims and disputes on this contract that have not been resolved. The contractor, ARB, Inc. has filed claims totaling more than \$20 million and initiated litigation against the County in February of 2014.

A final report of actual contract costs will be filed with the Clerk after all claims, disputes, and adjustments have been resolved.

Please see Exhibit "A" for an estimated cost breakdown of the project.

## **RESULTS**

With approval of the recommended action, your Board will cause the legal Notice of Completion for this construction contract to be recorded. Completion of this contract is continued progress toward a functioning wastewater project and also helps the County in achieving its goal of providing a safe and healthy community.

File: Contract No. 300448.08.01.AD

Reference: 14OCT28-C-6

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## **ATTACHMENTS**

1. Vicinity Map
2. Exhibit A - Project Cost Estimates
3. Resolution Authorizing Execution of Notice of Completion and Acceptance for the Collection System Areas A & D Contract of the Los Osos Wastewater Project, Los Osos, CA
4. Notice of Completion and Acceptance